

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-04  
H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 IGA-02 IO-13  
/107 W

-----300923Z 056631 /15

R 291723Z APR 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 7850  
INFO AMEMBASSY LISBON  
AMEMBASSY TOKYO  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS

C O N F I D E N T I A L BONN 07464

DEPT PASS TREASURY

E.O. 11652: GDS  
TAGS: EAID, EFIN, GW, EEC, PO  
SUBJ: AID TO PORTUGAL

1. THE ECONOMIC/COMMERCIAL MINISTER HAS FOLLOWED UP  
ON PORTUGAL WITH HISS, SENIOR ECONOMIC ADVISER IN THE  
CHANCELLERY, ON APRIL 28.

2. HISS WAS NOT AWARE  
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OF LAST WEEK'S APPROACH BY THE AMBASSADOR TO STATE  
SECRETARY HERMES. ECON/COMM. MINISTER TOOK THE  
OPPORTUNITY, THEREFORE, TO PRESENT OUR PROPOSALS TO  
HISS. WE AGAIN STRESSED THAT OUR NEW PROPOSALS HAD  
TAKEN MANY OF THE CHANCELLOR'S CONCERNS INTO ACCOUNT.  
WE ALSO STRESSED THAT THE ATTITUDE OF OTHER COUNTRIES  
WOULD BE STRONGLY INFLUENCED BY THE FRG REACTION,

ESPECIALLY MENTIONING JAPAN. WE TOLD HIM HOW DIFFICULT IT WOULD BE TO GET CONGRESSIONAL APPROVAL IF THE FRG FAILED TO JOIN IN THIS EFFORT.

3. ECON/COMM. MINISTER FURTHER EMPHASIZED THAT INTEREST RATE ON LOAN WOULD BE MARKET-RELATED, WHICH SHOULD FACILITATE GERMANS' ABILITY TO DEAL WITH LOAN WITHOUT RECOURSE TO BUDGETARY SOURCES. HISS PRICKED UP HIS EARS AT MENTION OF THE MARKET-RELATED INTEREST RATE, SINCE WE HAVE EARLIER MENTIONED THIS ASPECT TO HIM ON A NUMBER OF OCCASIONS. HISS EXPRESSED APPRECIATION FOR OUR INFORMATION AND SAID THAT THE CHANCELLOR WOULD BE FULLY BRIEFED ON THE SUBJECT FOR LONDON.

4. IN THE ABSENCE OF LOECK, ON THE FOREIGN AFFAIRS SIDE OF THE CHANCELLERY, WE ALSO TALKED TO HIS SUB-ORDINATE, ZU RANTZAU, WHO ALSO WAS UNINFORMED CONCERNING THE AMBASSADOR'S APPROACH AT THE FOREIGN MINISTRY. WE AGAIN, THEREFORE, EXPLAINED OUR NEW PROPOSALS TO RANTZAU, AND RANTZAU PROMISED TO BRING HIMSELF UP-TO-DATE ON THE MATTER. HE ALSO CONFIRMED THAT THE SUBJECT WOULD BE INCLUDED IN THE CHANCELLOR'S BRIEFING FOR LONDON, BUT THAT THE CHANCELLOR, FOR OBVIOUS REASONS, WOULD NOT, AS FAR AS HE WAS AWARE, RAISE THE SUBJECT HIMSELF.

5. WE HAVE FURTHER DISCUSSED OUR EFFORTS WITH THE PORTUGUESE AMBASSADOR, WHO WILL BE MEETING WITH CONFIDENTIAL

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OFFICIALS IN THE FOREIGN MINISTRY THE AFTERNOON OF APRIL 29 AND HAS PROMISED TO KEEP US INFORMED OF WHAT HE LEARNS. WE URGED HIM TO PURSUE AGAIN THE QUESTION OF ATTENDANCE AT THE MID-MAY MEETING, POINTING OUT THAT IF THE FRG DID NOT ATTEND, IT WOULD BE DIFFICULT TO RETAIN THE INTEREST OF OTHERS. THE PORTUGUESE AMBASSADOR PROMISED TO BE IN TOUCH WITH US TO LET US KNOW THE RESULTS OF HIS OWN EFFORTS.

6. THE NEGATIVE GERMAN REACTION TO A MULTILATERAL APPROACH THROUGH THE EC REPORTED IN USEC'S 4292 WAS TO BE EXPECTED. WE HAVE ALWAYS DOUBTED THAT GERMANS WOULD BE ATTRACTED BY A COMMUNITY APPROACH, WHICH MIGHT SERVE AS A PRECEDENT FOR COMMUNITY ASSISTANCE TO OTHER APPLICANTS FOR MEMBERSHIP. STOESEL

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Type:** TE  
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**Review Markings:**  
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